



May 20, 2019

The Honorable Zack Fields, Representative, Alaska House
The Honorable Jonathan Kreiss-Tomkins, Representative, Alaska House
Alaska State Capitol
120 4th Street Rm 3
Juneau, Alaska 99801-1182

Dear Representatives Fields and Tomkins;

This letter responds to your undated letter to Department of Commerce, Community, and Economic Development Commissioner Julie Anderson and me. This letter is my response and may not be exactly on point for Commissioner Anderson, who will respond separately.

I do not consider the contract with Penney Capital, Inc. to be a \$441,000 contract, as I do not believe it is. It is a month by month contract in the amount of \$8,000 per month, for as much as \$44,000 for the initial term, which is the total compensation to be used in any cogent analysis. The contract can be canceled at any time. Actual travel expenses, not to exceed \$12,000, for the initial term are also allowed in the contract.

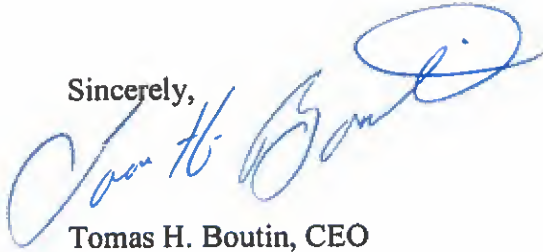
Mr. Clark Penney, Penney Capital President, has extensive contacts within and outside Alaska. He holds significant financial management licenses. I believe there is an urgency to bring business initiators to Alaska, gaining the attention of proven entrepreneurs, learning details of real and perceived impediments businesses face in coming to Alaska, and trying to identify comparative advantages Alaska may have right now during the longest economic recovery in United States history. Quite likely, in real dollars adjusted for the contemporary population, Alaska produces fewer goods for export than at any time since statehood, and in any event the value of goods Alaska does export has likely never been as small by those measures when tested against our aggregate consumption of consumer goods produced outside the state.

While I have no specific knowledge or background for your reference to a financial relationship in an election campaign, I do read newspapers and therefore I am fairly sure you refer to Mr. Penney's grandfather, a man I have never met or spoken with at any time. For that matter, I do not know anyone related to Mr. Penney (although in this state of unique demographics I am never

surprised to learn of some family relationship connecting people I know). I did not know Clark Penney until earlier this year.

I hope and intend that this letter addresses every point in your letter. Thank you for that letter. I think that restoring the trust that Alaskans once had in government will require more transparency than we sometimes saw in recent years, and I believe that restoration is not entirely disassociated with ramping up Alaska production of more goods and services the world wants to buy. Thank you for all the hard work you do as Legislators.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tomas H. Boutin", with a large, stylized flourish at the end.

Tomas H. Boutin, CEO



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community,
and Economic Development

OFFICE OF THE COMMISSIONER

550 West Seventh Avenue, Suite 1535
Anchorage, Alaska 99501
Main: 907.269.8100
Toll free fax: 907.269.8125

May 22, 2019

The Honorable Zack Fields
The Alaska State Legislature
State Capitol Room 114
Juneau, AK 99801

Dear Representative Fields,

Thank you for your undated letter regarding the contract awarded from AIDEA to Penney Capital.

Provided your inquiry relates to the Alaska Industrial Development and Export Authority ("AIDEA" or "the Authority") procurement code and regulations, contracts, and decision making process, we believe the Authority is best suited to respond.

For your reference, the Department engaged AIDEA in a Reimbursable Services Agreement to provide Economic Development Advisory Services and to retain a contractor to perform work on the New Industry Development Team. The maximum costs to be incurred by the Servicing Agency under the Reimbursable Services Agreement is \$44,000.

Promoting new and existing industry growth, marketing, and financing opportunities within the State are key objectives for the State's New Industry Development Team. Further, as you note, the Governor's strategic plan emphasizes that Alaska is "Open for Business." Time is of the essence in moving this initiative forward.

Thank you,

A handwritten signature in blue ink, reading "Julie Anderson".

Julie Anderson
Commissioner, Commerce, Community and Economic Development

cc: Representative Jonathan Kreiss-Tomkins,